



## ANNUAL USE OF CAPITAL SURVEY - 2009

## NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Western Financial, Inc.

Person to be contacted regarding this report:	Scott C. Wylie, Chief Executive Officer
CPP Funds Received:	\$20,440,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	2/6/2009
Date Repaid <sup>1</sup> :	

RSSD: (For Bank Holding Companies)	3189906
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	
City:	Denver
State:	Colorado

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	In accordance with the policy objectives of the Capital Purchase Program, First Western increased loans outstanding in 2009 by \$106 million, or 5.2 times the amount of CPP capital received.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The increase in lending in 2009 was concentrated in loans secured by 1-4 family residential property (approximately \$70 million, or 66% of total loan growth) and commercial and industrial loans (approximately \$39 million).
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	The Company also supported the mission of various intermediaries to provide affordable housing by increasing its securities holdings by approximately \$22 million in 2009 through the purchase of agency issued MBS.
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	In 2009, the Company increased its reserves for loan losses, net of charge-offs, by \$2.3 million.

<input checked="" type="checkbox"/>	Reduce borrowings	In accordance with its loan agreements, the Company decreased its contractual borrowings by \$5.25 million in 2009.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

The Company's participation in the CPP enabled First Western to continue to provide credit to the communities it serves and to support, through the purchase of agency-issued MBS, affordable housing. There were no specific actions that the Company avoided by accepting CPP capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

By participating in the CPP, First Western was able to continue to extend credit to creditworthy borrowers during a time of severe economic stress. Without the CPP funds, it is unlikely that the Company would have been able to increase its loans outstanding by over \$100 million or to purchase additional MBS for its investment portfolio.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

There were no other actions taken by the Company as a direct result of participating in the Capital Purchase Program.